S.B. CIVIL Writ Petition NO. 3734/2005.
(M/s Ratan Engineering & Construction Co. Vs. District Judge, Jodhpur & ors.)

DATE OF ORDER : 19.11.2007.

HON'BLE DR.JUSTICE VINEET KOTHARI

Mr. KK Shah, for the petitioner.
Mr. VK Mathur, for the respondents.

1. This writ petition is directed against the order dated 01.06.2005 passed by the learned District Judge on the cross Misc. Applications filed by M/s Ratan Engineering & Construction Company and Union of India in relation to an arbitration award dated 30.3.1998.

2. The limited grievance raised by learned counsel for the petitioner Contractor is that while holding that since the award is passed under the new Arbitration and Conciliation Act, 1996, the same was not required to be made a rule of the Court as was the position under the old Arbitration Act, 1940 and rightly so but the learned District Judge has erred in modifying the award towards the end of his impugned order dated 01.06.2005 by reducing the rate of interest from 18% per annum to 6% per annum. Hence this writ petition for seeking this limited relief.

3. Mr. Vineet Mathur, learned counsel for the respondent Union of India fairly submitted that the learned District Judge rightly held that the award passed by the Arbitrator under the new enactment i.e. Arbitration and Reconciliation Act, 1996, the same was not required to be made a rule of the Court but the learned court below could not have possibly modified the said award by reducing the rate of interest.

4. This Court is also of the considered opinion that under the new law relating to arbitration, since the arbitration award itself is an executable decree, it is not required to be made a rule of the Court, and therefore, the learned District Judge while dealing with the cross-applications filed by the parties could not have modified the award to the extent of interest.

5. Consequently, the writ petition is allowed to this limited extent and modification of the award to the extent of rate of interest from 18% to 6% is quashed. The order in remaining respects will remain intact.

(Dr. VINEET KOTHARI)J.

ITEM NO.4.

gandhi/-